

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

TRAVELERS CASUALTY AND SURETY COMPANY as
Administrator for RELIANCE INSURANCE COMPANY,
Plaintiff,

vs.

DORMITORY AUTHORITY - STATE OF NEW YORK,
TDX CONSTRUCTION CORP. and KOHN PEDERSEN
FOX ASSOCIATES, P.C.,

Defendants.

DORMITORY AUTHORITY OF THE STATE OF NEW
YORK and TDX CONSTRUCTION CORP.,

Third-Party Plaintiffs,

vs.

TRATAROS CONSTRUCTION, INC.,

Third-Party Defendant.

TRATAROS CONSTRUCTION, INC. and TRAVELERS
CASUALTY AND SURETY COMPANY,

Fourth-Party Plaintiffs,

vs.

CAROLINA CASUALTY INSURANCE COMPANY;
BARTEC INDUSTRIES INC.; DAYTON SUPERIOR
SPECIALTY CHEMICAL CORP. a/k/a DAYTON
SUPERIOR CORPORATION; SPECIALTY
CONSTRUCTION BRANDS, INC. t/a TEC; KEMPER
CASUALTY INSURANCE COMPANY d/b/a KEMPER
INSURANCE COMPANY; GREAT AMERICAN
INSURANCE COMPANY; NATIONAL UNION FIRE
INSURANCE COMPANY OF PITTSBURGH, PA.;
UNITED STATES FIRE INSURANCE COMPANY;
ALLIED WORLD ASSURANCE COMPANY (U.S.) INC.
f/k/a COMMERCIAL UNDERWRITERS INSURANCE
COMPANY; ZURICH AMERICAN INSURANCE
COMPANY d/b/a ZURICH INSURANCE COMPANY;
OHIO CASUALTY INSURANCE COMPANY d/b/a OHIO
CASUALTY GROUP; HARLEYSVILLE MUTUAL
INSURANCE COMPANY (a/k/a HARLEYSVILLE
INSURANCE COMPANY,); JOHN DOES 1-20 and XYZ
CORPS. 1-12,

Fourth-Party Defendants.

Case No. 07-CV-6915 (DLC)
ECF CASE

**FOURTH-PARTY
PLAINTIFFS' ANSWER TO
COUNTERCLAIM OF
HARLEYSVILLE
INSURANCE COMPANY OF
NEW JERSEY**

Plaintiff/Counterclaim Defendant/Fourth-Party Plaintiff, Travelers Casualty and Surety Company (“Travelers”), and Third-Party Defendant/Fourth-Party Plaintiff, Trataros Construction, Inc. (“Trataros”), by and through their attorneys Dreifuss Bonacci & Parker, LLP, as and for their Answer to the Counterclaim of Fourth-Party Defendant, Harleysville Mutual Insurance Company (a/k/a Harleysville Insurance Company), appearing here as Harleysville Insurance Company of New Jersey (“Harleysville”), allege as follows:

1. The allegations contained in the unnumbered paragraph entitled “Counterclaims and Crossclaims for Indemnification & Contribution” (hereinafter, the “Counterclaim”) are denied.

WHEREFORE, Travelers and Trataros demand judgment against Harleysville for the following relief:

- a. dismissal of the Counterclaim with prejudice;
- b. award of attorneys fees, costs and disbursements; and
- c. such other and further relief as the Court deems just and proper.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Harleysville’s Counterclaim fails to state a cause of action upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Harleysville lacks standing to pursue claims against Trataros and Travelers.

THIRD AFFIRMATIVE DFEFENSE

The Counterclaim is barred by the provisions of the appropriate statute of limitations.

FOURTH AFFIRMATIVE DEFENSE

The Counterclaim is barred by the equitable doctrine of laches.

FIFTH AFFIRMATIVE DEFENSE

The Counterclaim is barred by the doctrine of estoppel.

SIXTH AFFIRMATIVE DEFENSE

The Counterclaim is barred by the equitable doctrine of unclean hands.

SEVENTH AFFIRMATIVE DEFENSE

The Counterclaim is barred, in whole or in part, as a result of Harleysville's breach(es) of its obligations to Trataros and/or Travelers, pursuant to the contract(s) for insurance coverage between Harleysville and Bartec Industries Inc.

EIGHTH AFFIRMATIVE DEFENSE

Any damages allegedly sustained by Harleysville were and/or will be caused in whole or in part by the culpable conduct of Harleysville, as a result of which Harleysville's Counterclaim is barred or diminished in the proportion that such culpable conduct has caused and/or will cause their alleged damages.

NINTH AFFIRMATIVE DEFENSE

The Counterclaim is barred to the extent that Harleysville does not qualify as a claimant under the performance bond issued by Reliance Insurance Company in connection with Contract No. 16.

TENTH AFFIRMATIVE DEFENSE

The Counterclaim is barred due to Harleysville's failure to satisfy the terms and conditions of the performance bond issued by Reliance Insurance Company ("Reliance") in connection with Contract No. 16.

ELEVENTH AFFIRMATIVE DEFENSE

The Counterclaim is time-barred due to Harleysville's failure to timely file suit consistent with the terms and conditions of the performance bond issued by Reliance in connection with Contract No. 16.

TWELFTH AFFIRMATIVE DEFENSE

In the event Harleysville has sustained and/or will sustain damages as alleged in its Counterclaim, then such damages were/will be sustained as a result of the conduct of persons and/or entities other than Travelers and/or Trataros, and for whose conduct neither Travelers nor Trataros was responsible.

THIRTEENTH AFFIRMATIVE DEFENSE

The Counterclaim is barred by the doctrine of mitigation of damages.

FOURTEENTH AFFIRMATIVE DEFENSE

The Counterclaim is barred by the doctrine of avoidable consequence.

FIFTEENTH AFFIRMATIVE DEFENSE

The Counterclaim is barred as it may not properly be interposed in this action.

SIXTEENTH AFFIRMATIVE DEFENSE

The Counterclaim is barred under the doctrine of release.

SEVENTEENTH AFFIRMATIVE DEFENSE

The Counterclaims is barred by documentary evidence.

EIGHTEENTH AFFIRMATIVE DEFENSE

The Counterclaim as against Travelers is barred, as Travelers' obligations under the bonds issued by Reliance to Trataros have been discharged as a result of cardinal changes to the underlying Contracts Nos. 15 and 16.

1:07-cv-06915-DLC Travelers Casualty and Surety Company v. Dormitory Authority State of New York et al

Denise L. Cote, presiding

Date filed: 08/01/2007

Date of last filing: 01/18/2008

Attorneys

David Abramovitz

Zeynel Karcioglu, Esq

36 East 20th Street

New York, NY 10003

(212) 661-0722

212-682-6861 (fax)

dabramovitz@zdlaw.com

Assigned: 10/01/2007

LEAD ATTORNEY

ATTORNEY TO BE NOTICED

representing

Kohn Pedersen

Fox Associates,

P.C.

(Defendant)

Kohn Pedersen

Fox Associates,

P.C.

(Cross

Defendant)

Joanne M. Bonacci

Dreifuss, Bonacci & Parker, LLP

26 Columbia Turnpike, North Entrance

Florham Park, Nj 07932

(973)-514-1414

(973)-514-5959 (fax)

jbonacci@dbplawfirm.com

Assigned: 08/10/2007

ATTORNEY TO BE NOTICED

representing

Travelers

Casualty and

Surety

Company

(Counter

Defendant)

Travelers

Casualty and

Surety

Company

(Counter

Defendant)

Travelers

**Casualty and
Surety
Company**
*(Cross
Claimant)*

**Travelers
Casualty and
Surety
Company**
(Plaintiff)

**Trataros
Construction,
Inc.**
*(ThirdParty
Defendant)*

**Trataros
Construction,
Inc.**
*(Counter
Claimant)*

**Trataros
Construction,
Inc.**
*(Counter
Defendant)*

**Trataros
Construction,
Inc.**
*(Cross
Claimant)*

**Travelers
Casualty and
Surety
Company**
*(Counter
Defendant)*

Robert Richard Brooks-Rigolosi

Segal McCambridge Singer & Mahoney, Ltd.
Sears Tower, 233 S. Wacker Drive, Ste 5500
Chicago, IL 60606
212 651-7500 x7417
(212)651-7499 (fax)
rrigolosi@smsm.com
Assigned: 01/16/2008
ATTORNEY TO BE NOTICED

representing

**Specialty
Construction
Brands, Inc. t/a
TEC**
*(FourthParty
Defendant)*

Joseph DeDonato

Morgan, Melhuish, Monaghan, Arviidson, Abrutyn & Lisowski

39 Broadway-35flr
New York, NY 10006
(212) 735-8600
(212)-509-3422 (fax)
jdedonato@morganlawfirm.com
Assigned: 12/07/2007
ATTORNEY TO BE NOTICED

representing

**Ohio Casualty
Insurance
Company**
*(FourthParty
Defendant)*

**Ohio Casualty
Insurance
Company**
*(Counter
Claimant)*

**Ohio Casualty
Insurance
Company**
*(Cross
Claimant)*

Louis J. Dennis

Zetlin & De Chiara LLP
801 Second Avenue
New York, NY 10017
(212) 682-6800
(212) 682-6861 (fax)
Assigned: 10/31/2007

representing

**Kohn Pedersen
Fox Associates,
P.C.**
(Defendant)

David Craig Dreifuss

Dreifuss Bonacci & Parker, LLP
One Penn Plaza
36th Fl

**Travelers
Casualty and**

New York, NY 10119
973-514-1414
973-514-5959 (fax)
DDreifuss@dbplawfirm.com
Assigned: 08/01/2007
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

representing

**Surety
Company**
*(Counter
Defendant)*

**Travelers
Casualty and
Surety
Company**
*(Cross
Claimant)*

**Travelers
Casualty and
Surety
Company**
(Plaintiff)

Timothy B Froessel
Holland & Knight LLP(FLA)
50 North Laura Street, Suite 3900
Jacksonville, FL 32202
(212) 513-3484
(212) 385-9010 (fax)
tbfroess@hklaw.com
Assigned: 09/28/2007
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

representing

**Dormitory
Authority State
of New York**
*(ThirdParty
Plaintiff)*

**Dormitory
Authority State
of New York**
*(Counter
Claimant)*

**Dormitory
Authority State
of New York**
*(Cross
Claimant)*

**Dormitory
Authority State
of New York**
(Defendant)

**TDX
Construction
Corp.**
*(ThirdParty
Plaintiff)*

**TDX
Construction
Corp.**
*(Counter
Defendant)*

**TDX
Construction
Corp.**
*(Cross
Defendant)*

**TDX
Construction
Corp.**
(Defendant)

Christian Holt Gannon

Segal McCambridge Singer & Mahoney, Ltd.
Sears Tower, 233 S. Wacker Drive, Ste 5500
Chicago, IL 60606
212-651-7500 x7417
(212)651-7499 (fax)
cgannon@smsm.com
Assigned: 01/14/2008
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

representing

**Specialty
Construction
Brands, Inc. t/a
TEC**
*(FourthParty
Defendant)*

Diana Elaine Goldberg

Mound Cotton Wollan & Greengrass (NYC)
One Battery Park Plaza
New York, NY 10004
212-804-4221

representing

**Allied World
Assurance
Company (U.S.)**

212-344-8066 (fax)
dgoldberg@moundcotton.com
Assigned: 01/11/2008
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

Inc.
(FourthParty
Defendant)

Lance Jon Kalik
Riker, Danzig, Scherer, Hyland & Perretti, LLP(NJ)
Headquarters Plaza, One Speedwell Avenue, P.O. Box
1981
Morristown, NJ 07962
973-451-8447
973-538-1984 (fax)
lkalik@riker.com
Assigned: 01/15/2008
LEAD ATTORNEY
ATTORNEY TO BE NOTICED

representing

**Harleysville
Mutual
Insurance
Company**
(FourthParty
Defendant)

**Harleysville
Mutual
Insurance
Company**
(Counter
Claimant)

**Harleysville
Mutual
Insurance
Company**
(Cross
Claimant)

William Gordon Kelly
Goldberg Segalla LLP (NJ)
301 Carnegie Center
Princeton, NJ 08540
(914) 798-5400
(914) 798-5401 (fax)
wkelly@goldbergsegalla.com
Assigned: 11/30/2007
LEAD ATTORNEY

representing

**Dayton
Superior
Specialty
Chemical Corp.**
(FourthParty
Defendant)

**Dayton
Superior
Specialty**

Chemical Corp.

*(Counter
Claimant)*

**Dayton
Superior
Specialty
Chemical Corp.**

*(Cross
Claimant)*

**Dayton
Superior
Specialty
Chemical Corp.**

*(Cross
Defendant)*

Michael Scott Miller

Tompkins,McGuire, Wachenfeld & Barry
Four Gateway Center, 100 Mulberry Street
Newark, NY 07012

973-622-3000

973-623-7780 (fax)

mmiller@tompkinsmcguire.com

Assigned: 01/14/2008

LEAD ATTORNEY

ATTORNEY TO BE NOTICED

representing

**Kemper
Casualty
Insurance
Company
(FourthParty
Defendant)**

**Kemper
Casualty
Insurance
Company
(Counter
Claimant)**

Eli John Rogers

Dreifuss Bonacci & Parker, LLP
26 Columbia Turnpike, North Entrance
Florham Park, NJ 07932

(973)-514-1414

(973)-514-5959 (fax)

representing

**Travelers
Casualty and
Surety
Company
(Counter**

erogers@dbplawfirm.com
Assigned: 10/26/2007
ATTORNEY TO BE NOTICED

Defendant)

**Travelers
Casualty and
Surety
Company**
*(Cross
Claimant)*

**Trataros
Construction,
Inc.**
*(ThirdParty
Defendant)*

**Trataros
Construction,
Inc.**
*(Counter
Claimant)*

**Trataros
Construction,
Inc.**
*(Counter
Defendant)*

**Trataros
Construction,
Inc.**
*(Cross
Claimant)*

**Travelers
Casualty and
Surety
Company**
*(Counter
Defendant)*

Travelers

**Casualty and
Surety
Company**
(Plaintiff)

**Travelers
Casualty and
Surety
Company**
*(Counter
Defendant)*

Robert Mark Wasko

Torre, Lentz, Gamell, Gary & Riimaster, LLP
226 West 26th Street
8th Floor
New York, NY 10001
(516) 240 8900
(212) 691 6452 (fax)
rwasko@tlggr.com

Assigned: 01/14/2008

ATTORNEY TO BE NOTICED

representing

**Carolina
Casualty
Insurance
Company**
*(FourthParty
Defendant)*

**Carolina
Casualty
Insurance
Company**
*(Counter
Claimant)*

**Carolina
Casualty
Insurance
Company**
*(Cross
Claimant)*

Vincent J. Zichello

Zichello & McIntyre, LLP
420 Lexington Avenue, Suite 2800
New York, NY 10170
212-972-5560
212-972-5569 (fax)
zime@msn.com

Assigned: 12/14/2007

representing

**Carolina
Casualty
Insurance
Company**
*(FourthParty
Defendant)*

ATTORNEY TO BE NOTICED

Carolina
Casualty
Insurance
Company
(Counter
Claimant)

Carolina
Casualty
Insurance
Company
(Cross
Claimant)

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